9M22 Results

28th October, 2022

Global ESG score: 91/100

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9M22 Business Highlights

Strong Free Cash Flow generation continues

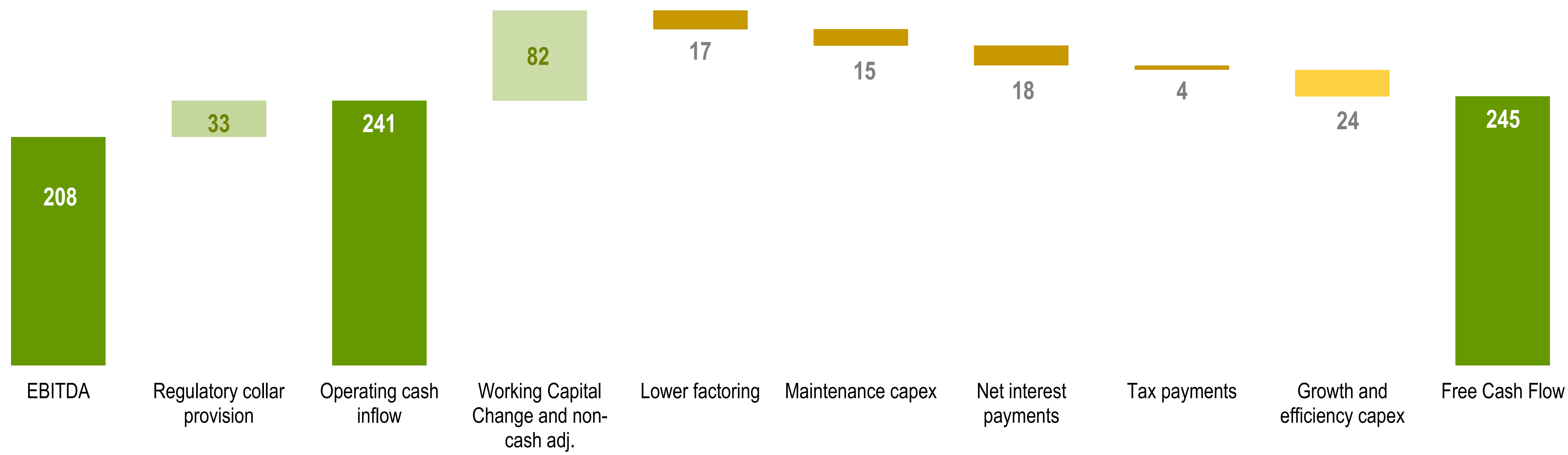
- Strong **EBITDA growth** (up to €208m) **and FCF generation** (€245m) driven by strong pulp and energy prices
- LTM **ROCE**[1] improves to **17%**
- New dividend policy allows for a **100% pay-out ratio**, equivalent to €67m
- **Pontevedra biomill is expected to initiate its ramp-up process during the second week of Novembe**r, combining an innovative solution developed to minimize the river water consumption in drought situations. Its normalized production rate is expected to be reached by the second week of December.
- **Tight supply continues to support strong pulp prices**. Industry specialists expect above average cycle prices for 2023
- **Differentiated and higher value-added products** accounted for 18% of pulp sales (122,000 tons)
- **Higher operating margins** in the Pulp business, up to 214 €/t, despite the widespread inflation in raw materials
- **Enhanced cash inflow in the Renewable business**, underpinned by higher output and energy prices
- The **Supreme Court** has delayed its decision on Pontevedra concession. Their ruling is expected in the coming months
- **Net Cash position** provides full flexibility to seize growth opportunities
- "**Navia Excelente**" project on track to promote the sale of its differentiated products, diversify its production towards fluff pulp and to decarbonize the plant. We are analyzing the first phase of "**As pontes**" project to produce recycled fiber and biomaterials from recovered paper.
- **813 MW renewables pipeline is progressing**. 673 MW in PV, 140 MW in biomass and further opportunities in industrial services.
- **Creating new biogas business line** based on the circular economy and with high growth potential in Spain
- Ence continues to be the **leading company in sustainability** in the pulp sector worldwide according to the latest rating from Sustainalytics

1) ROCE = EBIT / Average Shareholders Equity + Net Debt. Adjusted by Pontevedra related provisions and one-off hedges in 2021

Strong consolidated FCF generation and deleveraging continues

Driven by strong pulp and energy prices

Short Cash Flow Statement 9M22
(€m)



€174m net debt reduction ending the period with a net cash position of €72m

€82m working capital inflow includes pending payments to the electricity system for an amount of €70m

Lower growth and efficiency capex than forecasted for 2022 due to carry over payments shifting to 2023

Increased shareholder remuneration

The new dividend policy allows for a 100% pay-out ratio

Amount based on **cash**

available for distribution

Ensuring a **leverage** below:

2.5 x Net Debt / EBITDA for the **Pulp** business, at average cycle prices

5.0 x Net Debt / EBITDA for the **Energy** business, at average cycle prices

And considering capex plans and commitments

3 Annual Payments

1. First interim dividend of gross **0.054 euros per share was paid in May** — **€13m**
2. Second interim dividend of gross **0.13 euros per share was paid in August** — **€32m**
3. Third interim dividend of gross **0.09 euros per share will be paid on November 15** — **€22m**

Temporary downtime at Pontevedra´s biomill due to low water levels

Mitigated by higher pulp prices and FX improvement in 2H22

We expect that Pontevedra biomill will be able to **initiate its ramp-up process around the second week of November** combining an innovative solution that we are testing for drought situations and minimizing the river water consumption, once the necessary permits have been obtained and the maintenance and repair works on the water collection infrastructure are finalized following its downtime.
Its normalized production rate is expected to be reached by the second week of December.

Pontevedra´s downtime impact in **9M22**	
Lower pulp production:	- 90,000 t
Higher cash cost:	+ 15 €/t
EBITDA:	- € 31 m

Downtime total expected impact in FY22	
Lower pulp production:	- 166,000 t
Higher cash cost:	+ 28 €/t
EBITDA:	- € 62 m

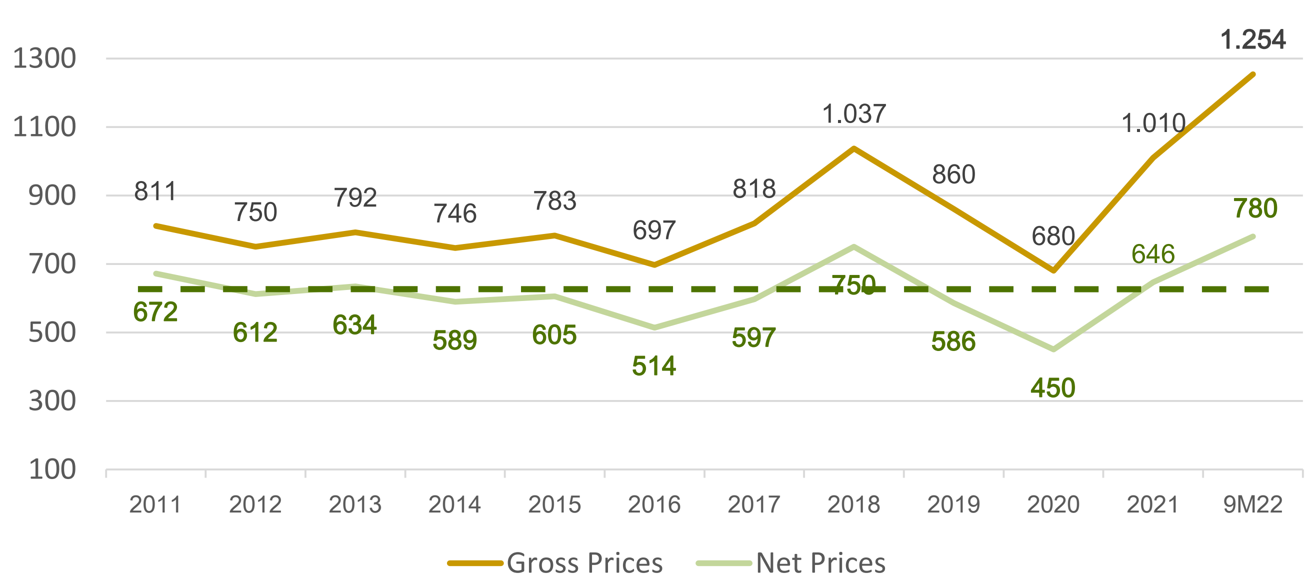
Impact of Pontevedra´s downtime mitigated by higher pulp prices and FX improvement in 2H22

Pulp business EBITDA in 2H22 is expected to be similar to 1H22, despite the temporary downtime

Tight supply continues to support strong pulp prices
Alongside €/USD FX improvement

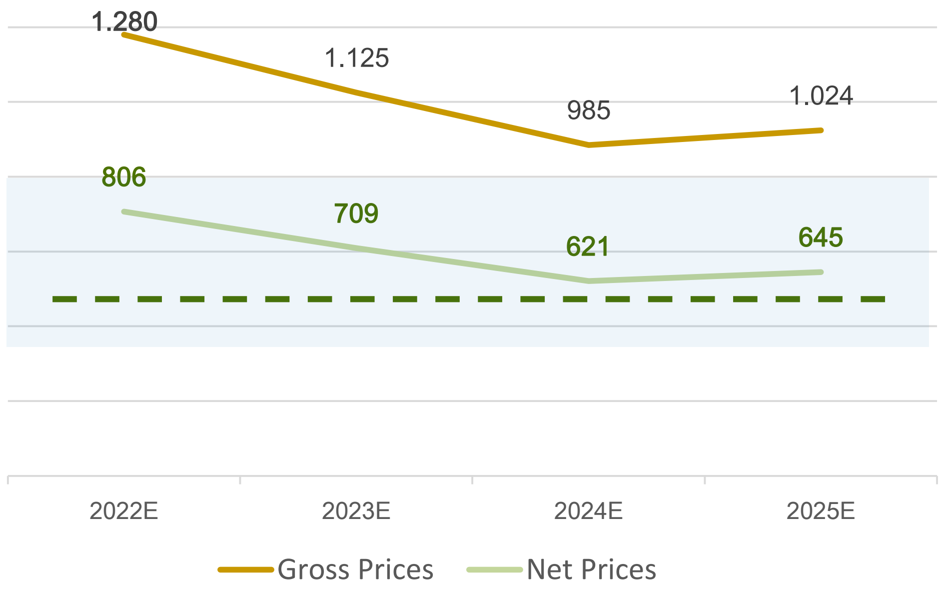
Avg. annual Pulp Prices Europe
US$/t

***Sources:** - Annual average FOEX gross price in Europe*
- Net price provided by Ence



Avg. annual BHKP Price Europe Consensus
as of September 2022, in US$/t

Source: RISI, Hawkins Wright, Brian McClay and Norexeco



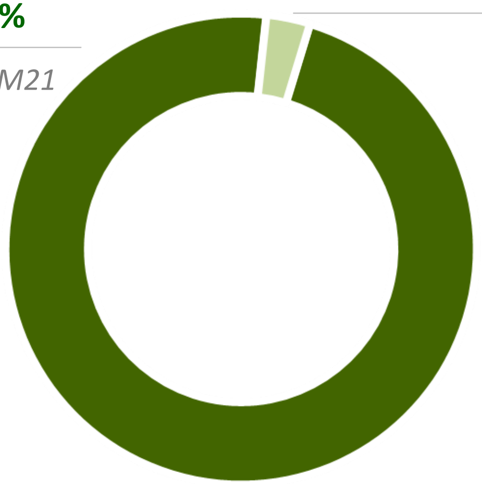
- Average GROSS pulp price in Europe of US$ 1,254/t in 9M22
- At US$ 1,380/t in Europe as from August

- Industry specialists have raised their **price forecasts** up to an average price of **1.280 USD/t in 2022**
- They also expect an average price of **1.125 USD/t in 2023**

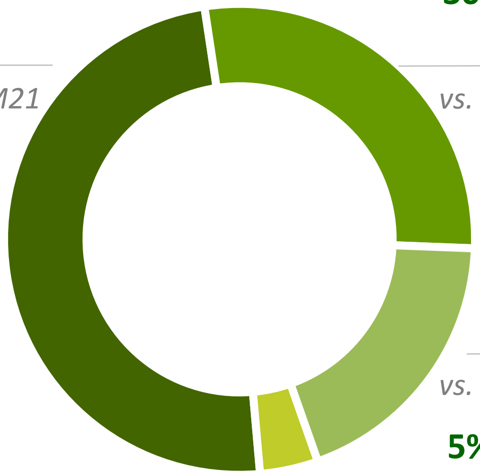
676,000 tons sold in 9M22

Differentiated and higher value-added products accounted for 18% of sales

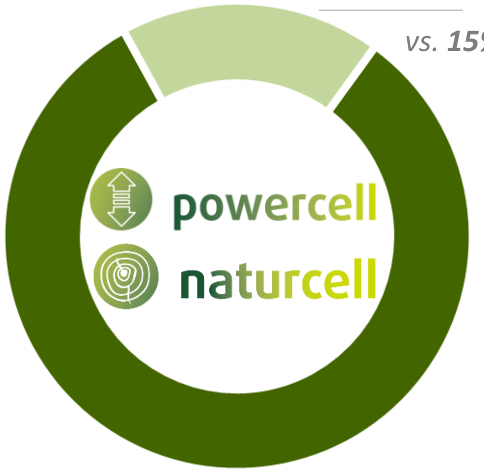
Geographical sales breakdown
% of pulp sales



Breakdown by end product
% of pulp sales



Differentiated products
% of pulp sales



94% of ENCE´s pulp sales delivered to Iberian and European markets, where it has strong logistics and service-related competitive advantages.

49% of ENCE´s pulp sales go to the fast-growing tissue and hygiene products segment

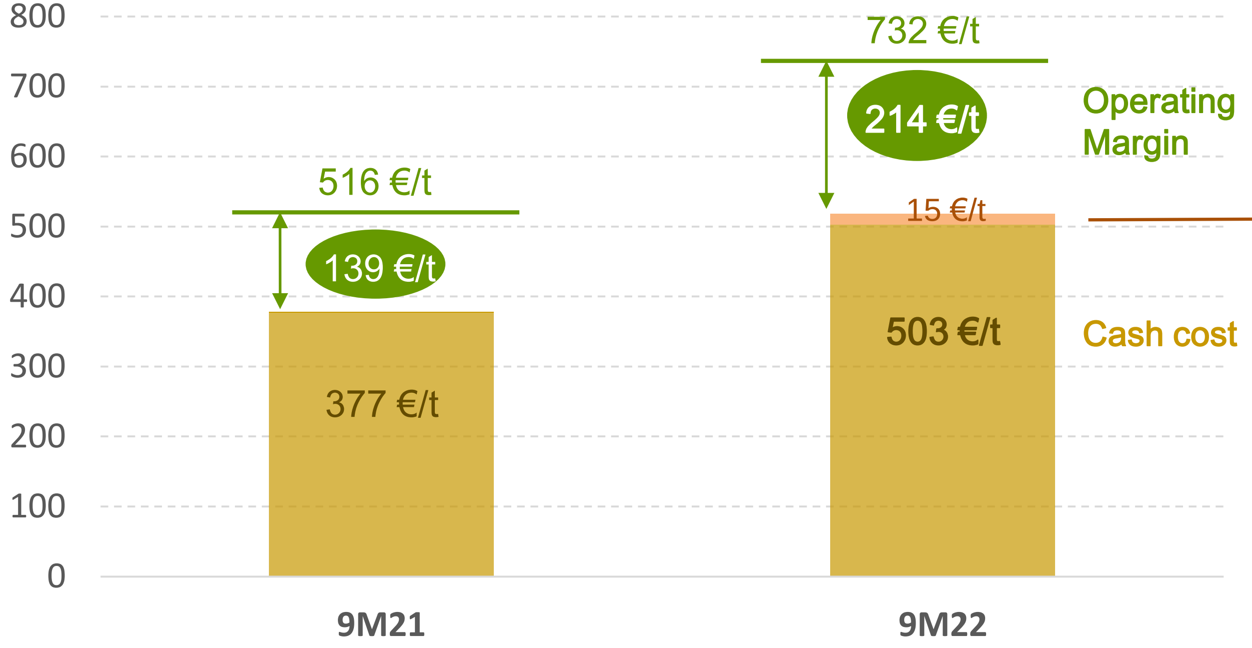
Ence's differentiated products accounted for 18% of pulp sales vs. 15% in 9M21

These higher value-added products **with higher margins** are more environmentally friendly and well suited to replace softwood pulp

Higher operating margins in the Pulp business

Despite the widespread inflation in raw materials

Net pulp price, cash cost and operating margin (€/t)



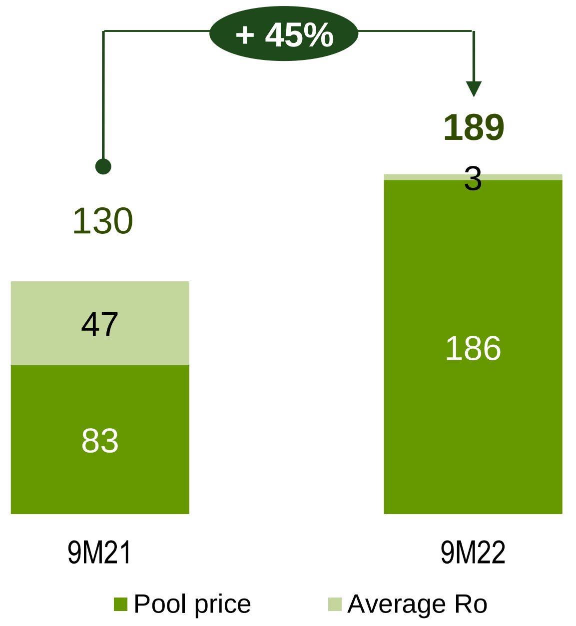
- The **temporary downtime at Pontevedra´s** biomill since July 20 due to the low river flow implied a **15 €/t higher cash cost in 9M22**

- **Operating margin** of the pulp business rose to **214 €/t in 9M22** despite Pontevedra´s downtime and widespread inflation in raw materials
- **503 €/t cash cost in 9M22**, excluding Pontevedra´s downtime impact
- Our bio-mills are **energy self-sufficient** and have **no natural gas dependence.** Raw materials are largely **locally sourced**

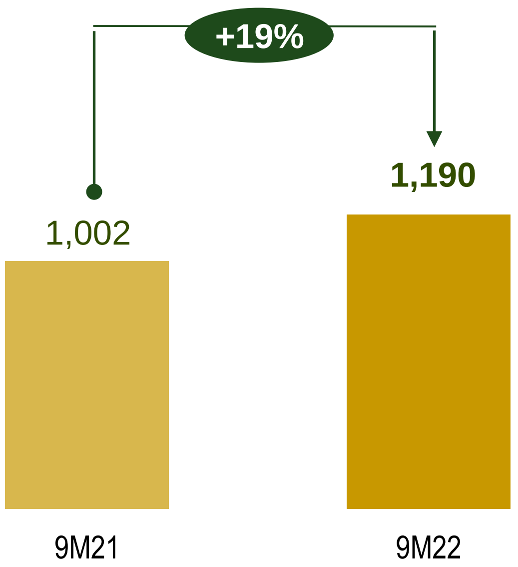
Enhanced operating cash inflow in the Renewable business

Underpinned by higher output and energy prices

Pool price + Return on the operations (Ro)
(€/MWh)

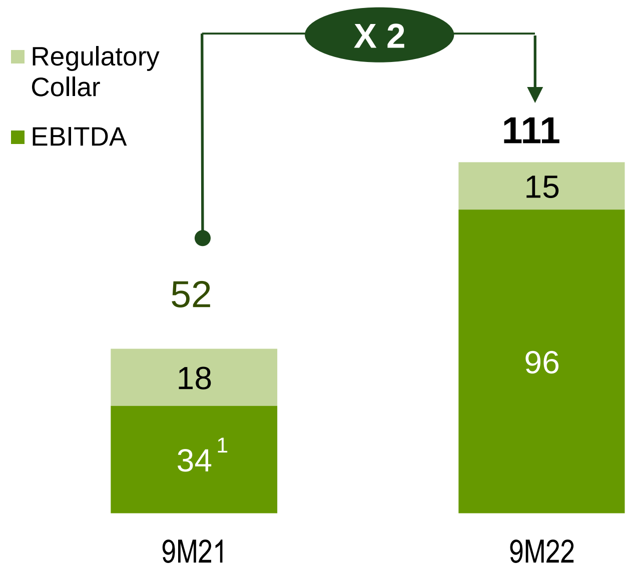


Energy Sales
(GWh)



1) 9M21 affected by Huelva 50 MW downtime

Operating cash inflow
(€m)



1) 9M21 before -€20m from one-off hedges

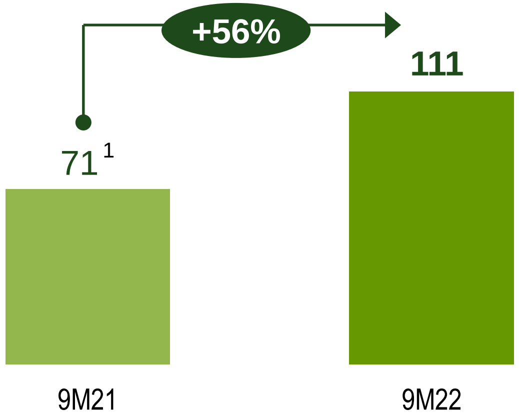
Lower energy sales expected in 4Q22 due to lower olive-pulp availability as a consequence of the gas price increase at CHP plants that produce it

These results already include the estimated impact of the change in the renewable remuneration parameters applicable in 2022 and exceed the guidance provided at the latest Capital Markets Day, which had anticipated similar change

Strong EBITDA growth, up to €208m

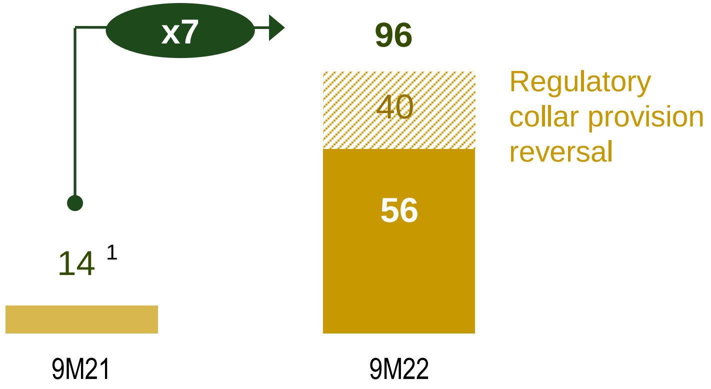
Boosted by strong pulp and energy prices

Pulp Business EBITDA (€ m)



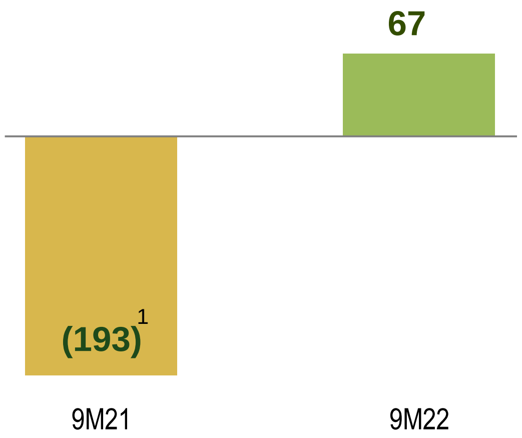
1) 9M21 figures includes the effect of pulp price hedges for a net €31m

Renewable Business EBITDA (€ m)



1) 9M21 figures includes the effect of energy price hedges for a net €20m

Attributable Net Income (€ m)



1) 9M21 figures includes Pontevedra impairments and provisions for a net €200m

Pulp business EBITDA +56% up to €111m

- +42% average selling price vs. 9M21
- -11% pulp sales vs.9M21 mainly due to the temporary downtime at Pontevedra in 3Q
- +37% cash cost vs. 9M21 mainly due to widespread inflation in raw materials
- 9M21 affected by one-off pulp price hedges

Energy EBITDA x7 up to €96m:

- +19% energy sales vs. 9M21 which was affected by Huelva 50 MW downtime
- +56% in the average selling price due to higher electricity market prices, lower capped capacity and the impact of one off hedges in 9M21
- EBITDA includes €40m regulatory collar provision reversal with no cash flow impact

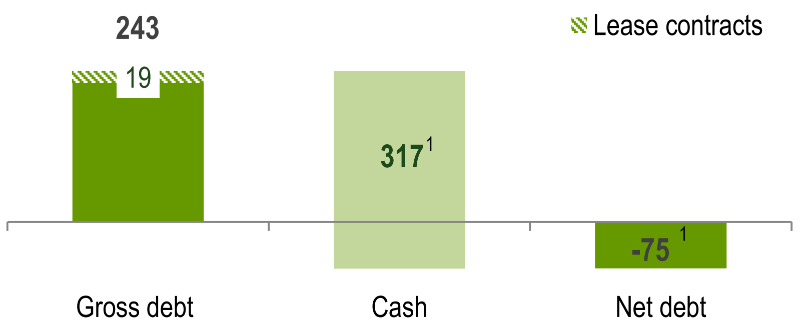
Group attributable net income up to €67m

- Depreciation: €72m
- Impairments: €39m
- Financials: €15m
- Taxes: €12m
- Minorities: €2m

Our net cash position provides full flexibility to seize growth opportunities

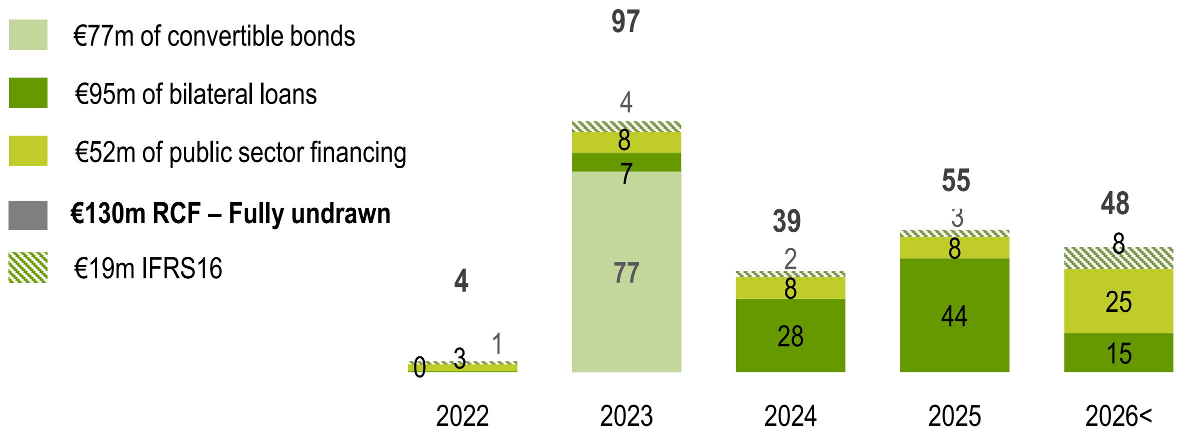
52% of the convertible bond already repurchased at the end of the period

Pulp business net debt as of 30 Sep. 2022 (€ m)

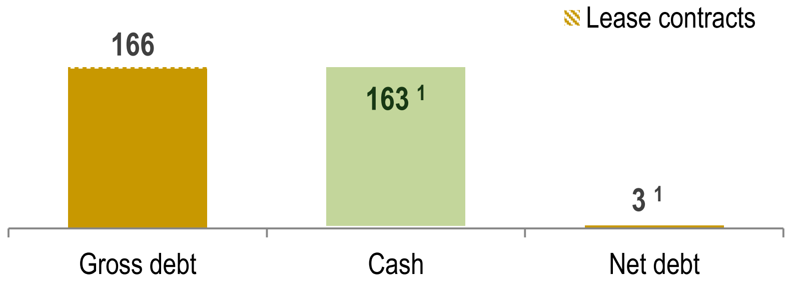


1) Before pending payments to the electricity system for an amount of €19m

Pulp business debt maturity schedule (€ m)

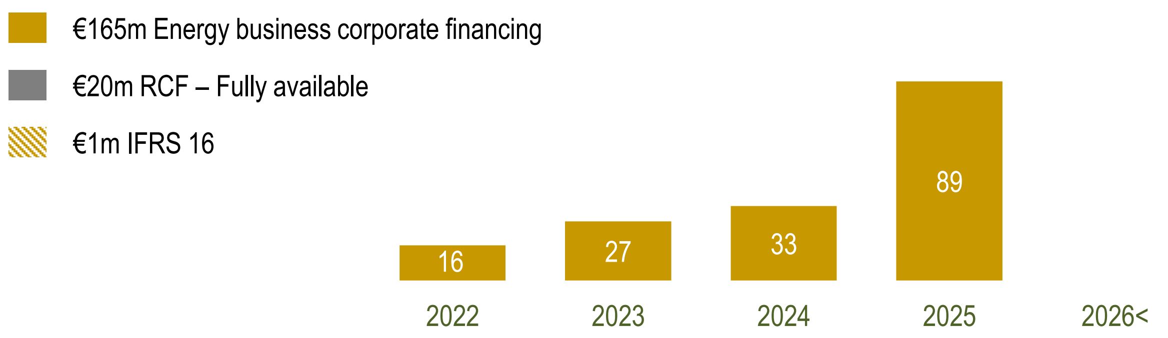


Renewables business net debt as of 30 Sep. 2022 (€ m)



1) Before pending payments to the electricity system for an amount of €51m

Renewables business debt maturity schedule (€ m)



A leader in sustainability
9M 2022 Highlights

SUSTAINALYTICS
Global ESG score: 91/100

FTSE4Good

ence ENERGÍA & CELULOSA

Production cost reduction

Safe & efficient operations

Protecting Health and Safety

- ✓ **-29% Ence's global Severity Index** (3Q22 vs. 2021)

Water footprint reduction

- ✓ **Water use reduction in Navia biofactory** (-11% vs. 2021)

Advancing towards a circular economy

- ✓ **98%** of waste recovered (3Q 22)
- ✓ **87,5% plants** certified to **ZERO WASTE**

Odour reduction (vs 2021)

- ✓ **-64%** odour minutes in Navia in 3Q 22 (best historical performance)

Leadership and differentiation

Climate action

Committed to mitigate climate change

- ✓ Ongoing climate risk analysis following **TCFD Recommendations**

Sustainable products

Differentiated products with higher added value

- ✓ **18%** (1S 22 vs 16% in FY21) of total sales with higher and growing margins
- ✓ **1st Pulp EPD* published**: Encell TCF and Naturcell
- ✓ **1st Carbon neutral product** (Naturcell Zero)
- ✓ Feasibility study for **Recycled Pulp** project

License to operate

People & Values

Talent as a competitive advantage

- ✓ **Great Place to Work** certification
- ✓ Quality jobs: **93,5% permanent contracts**
- ✓ **+3,2% female employees** vs 2021
- ✓ **49% female new hires** under 30 with college degrees

Commitment to communities

Adding value to society:

- ✓ **>800 visits** from our stakeholders to our facilities in 3Q22

Risk minimisation

Sustainable agroforestry

Certified supply chain

- ✓ **>83%** of managed land certified
- ✓ **72%** of supplied wood certified
- ✓ **>98%** wood & biomass suppliers homologated
- ✓ **100% plants SURE System certified** (Sustainable biomass)

Corporate governance

Transparent management

- ✓ Virtual AGM with 100% of resolutions approved
- ✓ **38,5%** female directors
- ✓ **60% independent female directors** on Committees (Audit, Nomination and Remuneration and Sustainability)

*EPD: Environmental Product Declaration

The Supreme Court delays its decision on Pontevedra concession

Ruling expected in the coming months

Update

On July 2021, the Spanish National Court has annulled the land concession on which our Pontevedra bio-mill is located

The Supreme Court has admitted two appeals by Ence against the annulment of its concession. The decision about the admission of the third appeal has been suspended until the Court rules on the first two appeals.

A first decision was announced for October 2022 but it has been delayed in order to reach an aligned verdict in all pending appeals.

€ **Prudent financial scenario adopted** with a potential closure already provisioned in 2021.

Potential related cash outflow of ~€72m.

Significance

Pontevedra pulp mill accounts for:

1/3 of the Pulp Business average cycle EBITDA as it is smaller and less efficient than Navia

1/4 of the Group average cycle EBITDA

2 available alternatives

Navia 100

Build a new line at Navia mill with a capacity of 100,000 t of Hardwood Paper Grade Pulp (BHKP) using equipment from the potential dismantling of Pontevedra mill with an estimated capex of €100m

Navia 340

Build a new swing line at Navia mill with a capacity of 340,000 t of Hardwood Paper Grade Pulp (BHKP) or alternatively up to 200,000 t of Dissolving Pulp for viscose fiber products with an estimated capex of €450m. Engineering and environmental permits well advanced.

Annual FCF contribution from Pontevedra would be **more than offset by Navia Excelente** and any of the **two alternatives** to expand capacity at Navia

Innovative solution for drought situations at Pontevedra

Regenerating the water from our effluent and the adjacent public WWTP

We are testing an innovative solution for drought situations at Pontevedra that will allow us to regenerate the water from the biomill´s effluent and that from the adjacent public wastewater treatment plant (WWTP) to minimize the river water consumption when its flow level drops

Pulp business investment plan

Modular and adaptable investments with a targeted ROCE >12%

	Navia Excelente project			As Pontes project
	Differentiated Products	Diversification into Fluff	Decarbonization	Diversification into Recovered Fibers
		+ 	+ 	+ 
Targeted Startup:	**2023**	**2024**	**2024**	First phase **2026**
Estimated Capex:	€15m	€30m	€60m	€125m

Our strong balance sheet and a clear **strategy focused on** shareholder value creation through **growth**, **diversification** and **sustainability**

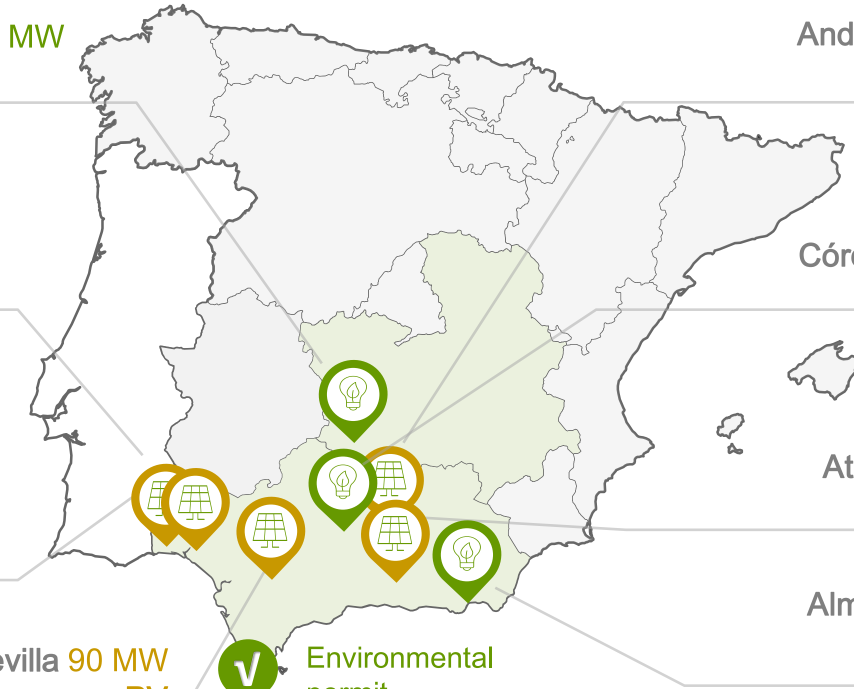
We have started to analyze the first phase of the recovered fibers project at As Pontes. Additional phases will be decided in future due course

813 MW renewable pipeline in progress and growing

Strong track record in pipeline development and selective asset rotation

Magnon

Portfolio location



- 373 PV pipeline almost RTB
- 140 biomass pipeline almost RTB
- 300 PV pipeline early - stage

In the first biomass auction held on October 25, Magnon opted for a prudent strategy in a context of widespread inflation

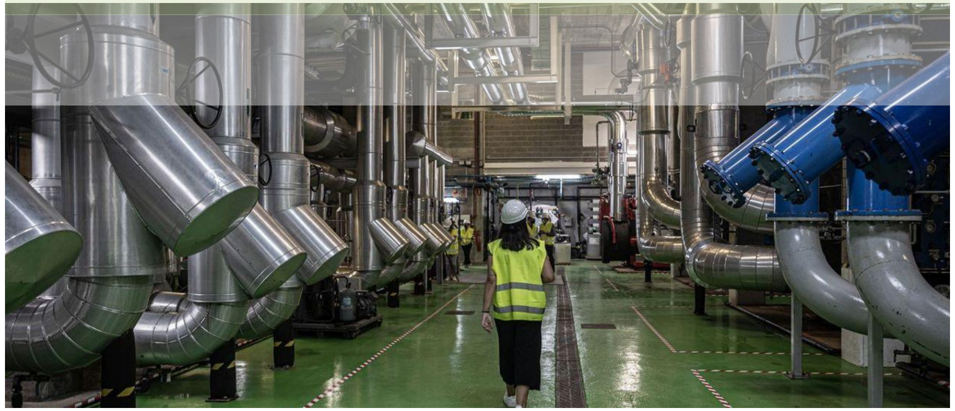
Two other biomass auctions are planned in 2023 and 2025 for a combined capacity of 240 MW and the National Energy Plan includes 415 MW more before 2030

Further growth opportunities for Magnon and Ence

Biomass industrial services and biogas production from organic waste

Magnon biomass industrial services

- Biomass has a great potential to **help decarbonize the industry**
- Magnon is analysing several opportunities in Spain to replace gas-fired industrial heating and cogeneration, with biomass-fired ones.



ence biogas

- We are analyzing the potential production of biogas from organic waste.
- It would be a **new business line based on the circular bioeconomy** that already drives our two main businesses, which has a high growth potential in Spain and is consistent with our diversification strategy into renewable energies.

Appendix 1:
P&L

Figures in € m	9M22 Pulp	9M22 Energy	9M22 Adjustments	9M22 Consolidated	9M21 Pulp	9M21 Energy	9M21 Adjustments	9M21 Consolidated
Total revenue	**553,8**	**235,8**	**(2,5)**	**787,1**	**471,8**	**118,8**	**(2,1)**	**588,5**
Other income	15,9	6,0	(0,8)	21,1	8,4	6,8	(1,2)	14,0
Foreign exchange hedging operations results	(16,5)	-	-	(16,5)	(41,9)	-	-	(41,9)
Cost of sales and change in inventories of finished produ	(249,2)	(76,2)	2,5	(322,8)	(207,3)	(50,8)	2,0	(256,1)
Personnel expenses	(54,9)	(12,9)	-	(67,9)	(52,3)	(9,9)	-	(62,2)
Other operating expenses	(137,8)	(56,4)	0,8	(193,4)	(107,2)	(50,6)	1,2	(156,6)
EBITDA	**111,2**	**96,3**	**-**	**207,5**	**71,4**	**14,4**	**-**	**85,8**
Depreciation and amortisation	(31,5)	(35,5)	0,6	(66,4)	(37,9)	(27,8)	2,1	(63,6)
Depletion of forestry reserves	(5,2)	(0,0)	-	(5,2)	(8,5)	(0,1)	-	(8,7)
Impairment of and gains/(losses) on fixed-asset disposals	(2,7)	(37,0)	0,7	(39,0)	(191,0)	(0,3)	-	(191,4)
Other non-ordinary operating gains/(losses)	-	-	-	-	5,0	-	-	5,0
EBIT	**71,8**	**23,8**	**1,3**	**96,9**	**(161,0)**	**(13,9)**	**2,1**	**(172,8)**
Net finance cost	(6,4)	(12,9)	-	(19,3)	(8,9)	(8,9)	-	(17,7)
Other finance income/(costs)	3,5	0,3	-	3,8	2,6	0,8	-	3,3
Profit before tax	**68,9**	**11,1**	**1,3**	**81,3**	**(167,2)**	**(22,0)**	**2,1**	**(187,1)**
Income tax	(4,9)	(7,5)	(0,1)	(12,5)	(18,6)	4,4	3,4	(10,9)
Net Income	**64,0**	**3,6**	**1,2**	**68,8**	**(185,9)**	**(17,6)**	**5,5**	**(198,0)**
Non-controlling interests	-	0,1	-1,9	(1,8)	-	(0,7)	5,7	4,9
Atributable Net Income	**64,0**	**3,7**	**(0,7)**	**67,0**	**(185,9)**	**(18,4)**	**11,1**	**(193,1)**
Earnings per Share (EPS)	0,26	0,02	-	0,28	(0,76)	(0,08)	0,05	(0,79)

Appendix 2:
Cash Flow

Figures in € m	9M22 Pulp	9M22 Energy	9M22 Adjustments	9M22 Consolidated	9M21 Pulp	9M21 Energy	9M21 Adjustments	9M21 Consolidated
Consolidated profit/(loss) for the period before tax	**68,9**	**11,1**	**1,3**	**81,3**	**(167,2)**	**(22,0)**	**2,1**	**(187,1)**
Depreciation and amortisation	36,7	35,5	(0,6)	71,6	46,4	27,9	(2,1)	72,2
Changes in provisions and other deferred expense	1,5	0,9	-	2,4	(0,8)	4,6	-	3,8
Impairment of gains/(losses) on disposals intangible assets	2,7	37,0	(0,7)	39,0	191,0	0,3	-	191,4
Net finance result	3,9	12,6	-	16,6	6,9	8,1	-	15,0
Energy regulation adjustment (regulatory collar)	18,1	15,2	-	33,4	10,8	18,1	-	28,9
Government grants taken to income	(0,4)	(0,1)	-	(0,5)	(0,5)	(0,2)	-	(0,7)
Adjustments to profit	**62,6**	**101,2**	**(1,3)**	**162,4**	**253,9**	**58,8**	**(2,1)**	**310,6**
Inventories	(7,8)	(1,4)	-	(9,2)	2,2	(6,6)	-	(4,4)
Trade and other receivables	(6,3)	6,0	5,2	4,9	(40,7)	6,4	-	(34,3)
Current financial and other assets	1,2	(2,0)	-	(0,8)	1,4	(0,1)	-	1,3
Trade and other payables	8,2	64,7	(5,2)	67,6	6,1	(14,9)	-	(8,8)
Changes in working capital	**(4,7)**	**67,3**	**-**	**62,6**	**(30,9)**	**(15,2)**	**-**	**(46,1)**
Interest paid	(5,4)	(12,2)	-	(17,6)	(6,0)	(7,0)	-	(13,0)
Dividends received	-	-	-	-	0,0	(0,0)	-	0,0
Income tax received/(paid)	(1,9)	(2,5)	-	(4,3)	-	(6,4)	-	(6,4)
Other collections/(payments)	(0,4)	-	-	(0,4)	-	-	-	(0,0)
Other cash flows from operating activities	**(7,8)**	**(14,6)**	**-**	**(22,4)**	**(6,0)**	**(13,4)**	**-**	**(19,4)**
Net cash flow from operating activities	**118,9**	**165,0**	**-**	**283,9**	**49,7**	**8,2**	**-**	**57,9**
Property, plant and equipment	(30,3)	(6,3)	-	(36,6)	(44,1)	(14,0)	-	(58,1)
Intangible assets	(2,1)	(0,2)	-	(2,3)	(1,3)	(0,1)	-	(1,4)
Other financial assets	(0,0)	-	-	(0,0)	(0,0)	(0,1)	-	(0,1)
Disposals	0,1	0,4	-	0,5	0,4	-	-	0,4
Net cash flow used in investing activities	**(32,4)**	**(6,1)**	**-**	**(38,5)**	**(45,1)**	**(14,2)**	**-**	**(59,2)**
Free cash flow	**86,5**	**158,9**	**-**	**245,4**	**4,7**	**(6,0)**	**-**	**(1,3)**

Alternative Performance Measures (APMs)
Pg.1

Ence presents its results in accordance with generally accepted accounting principles, specifically IFRS. In addition, its quarterly earnings report provides certain other complementary metrics that are not defined or specified in IFRS and are used by management to track the company's performance. The alternative performance measures (APMs) used in this presentation are defined, reconciled and explained in the corresponding quarterly earnings report publicly available through the investor section of our web page www.ence.es.

EBITDA

EBITDA is a measure of operating profit before depreciation, amortisation and forest depletion charges, non-current asset impairment charges, gains or losses on non-current assets and other non-operating items that undermine the comparability of the numbers.

EBITDA is an indicator used by management to track the Group's recurring profitability over time. This metric provides an initial approximation of the cash generated by the Company's ordinary operating activities, before interest and tax payments, and is a measure that is widely used in the capital markets to compare the earnings performances of different companies.

OTHER NON-OPERATING ITEMS

Other non-operating items refers to ad-hoc income and expenses unrelated to the Company’s ordinary business activities that render two reporting periods less comparable.

No balances were included under this heading in 9M22. In 9M21, it included changes in the provisions derived from the National Appellate Court rulings annulling the concession in Pontevedra. More specifically, it included the reversal of the provision accumulated as of the June 2021 close to cover the Company’s commitments under the Pontevedra Environmental Pact in the amount of €14m; a €2.9m provision to cover the potential devaluation of spare parts at the biomill; a €6m provision to cover the termination of contracts outstanding following the potential discontinuation of operations at the biomill; and a €0.9m provision to cover other liabilities of smaller amount

CASH COST

The production cost per tonne of pulp, or cash cost, is the key measure used by management to measure and benchmark its efficiency as a pulp maker. The cash cost includes all of the costs directly related with the production and sale of pulp that impact cash flows. Therefore, it does not include asset depreciation and amortisation charges, impairment losses on non-current assets or gains or losses on their disposal, other non-operating items, finance income or costs or income tax.

The cash cost can be measured as the difference between revenue from the sale of pulp and EBITDA in the Pulp business, adjusted for the settlement of hedges, the effect of adjustments for tariff shortfall/surplus (the regulatory collar) on energy sales, forest depletion charges and the change in inventories. To calculate the cash cost, the related production costs are divided by the volume of tonnes produced, while overhead and sales and logistics costs are divided by the volume of tonnes sold.

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OPERATING PROFIT PER TONNE OF PULP

The operating profit is a yardstick for the operating profit generated by the Pulp business without taking into account asset depreciation and amortisation charges, impairment losses on non-current assets and gains or losses on their disposal and other non-operating items, adjusted for the settlement of hedges, the effect of the regulatory collar on energy sales and forest depletion charges.

It provides a comparable measure of the business's profitability and is measured as the difference between the average sales price per tonne, calculated by dividing revenue from the sale of pulp by the number of tonnes sold, and the cash cost.

NET FINANCE COST AND OTHER FINANCIAL ITEMS

Net finance cost encompasses the various items of finance income and finance costs, while other financial items encompasses exchange differences, the change in the fair value of financial instruments and impairment losses on financial instruments and gains or losses on their disposal.

MAINTENANCE, EFFICIENCY, GROWTH AND SUSTAINABILITY CAPEX

ENCE provides the breakdown of the capital expenditure included in its statement of cash flows for each of its business classifying its investments into the following categories: maintenance capex, efficiency and growth capex, sustainability capex and financial investments.

Ence's technical experts classify its capital expenditure using the following criteria: Maintenance capex are recurring investments designed to maintain the capacity and productivity of the Company's assets. Efficiency and growth capex, meanwhile, are investments designed to increase those assets' capacity and productivity. Lastly, sustainability capex covers investments made to enhance quality standards, occupational health and safety and environmental performance and to prevent contamination. Financial investments correspond to payments for investments in financial assets.

The disclosure of capex cash flows broken down by area of investment facilitates oversight of execution of the published Business Plan.

OPERATING CASH FLOW

The operating cash flow coincides with the net cash from operating activities presented in the statement of cash flows. However, operating cash flow is arrived at by starting from EBITDA, whereas net cash from operating activities is arrived at by starting from profit before tax. As a result, the adjustments to profit do not coincide in the two calculations. This APM is provided to reconcile EBITDA and operating cash flow.

Alternative Performance Measures (APMs)
Pg.3

FREE CASH FLOW

Ence reports free cash flow as the sum of its net cash flows from operating activities and its net cash flows from investing activities. Free cash flow provides information about the cash generated by the Group's operating activities that is left over after its investing activities for the remuneration of shareholders and repayment of debt.

NORMALISED FREE CASH FLOW

Normalised FCF is the sum of EBITDA, the change in working capital, maintenance capex, net interest payments and income tax payments. It provides a proxy for the cash generated by the Company's operating activities before collection of proceeds from asset sales; this cash represents the amount available for investments other than maintenance capex, for shareholder remuneration and for debt repayment.

NET DEBT / (CASH)

The borrowings recognised on the balance sheet, include bonds and other marketable securities, bank borrowings and other financial liabilities. They do not include, however, the measurement of derivatives or borrowings from Group companies and associates.

Net debt/(cash) is calculated as the difference between current and non-current borrowings on the liability side of the statement of financial position and unrestricted cash on the asset side, which includes cash and cash equivalents, the debt service cash reserve (included with non-current financial assets) and other financial investments (within current assets).

Net debt/(cash) provides a proxy for the Group's net indebtedness or liquidity and is a metric that is widely used in the capital markets to compare the financial position of different companies.

ROCE

ROCE stands for the return on capital employed and is used by management as a key profitability performance indicator. It is calculated by dividing EBIT for the last 12 months by average capital employed during the period, capital employed being the sum of equity and net debt. For the Pulp business, equity is calculated as the difference between consolidated equity and the equity recognised by the Renewable Energy business.

ROCE is widely used in the capital markets to measure and compare the earnings performance of different companies.

SUSTAINALYTICS
Global ESG score:
91/100

MSCI ESG RATINGS

FTSE4Good

Delivering value
Delivering commitments

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